

Honorable Marsha J. Pechman

**UNITED STATES DISTRICT COURT,  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

DOMAINTOOLS, LLC, a Washington  
limited liability company,

Plaintiff,

v.

RUSS SMITH, an individual, and  
CONSUMER.NET, LLC, an unknown entity,

Defendants.

NO. 12-cv-00498-MJP

**JOINT STATUS REPORT AND  
DISCOVERY PLAN**

**JOINT STATEMENT:**

Following an early meeting pursuant to Rule 26(f) of the Federal Rules of Civil Procedure and Local CR 16, conducted telephonically and concluded on June 20, 2012, Plaintiff DomainTools, LLC, and Defendant Russ Smith submit this Joint Status Report and Discovery Plan.

**SMITH's Additional Statement:**

These discussions were essentially fruitless as plaintiff's counsel merely restated their vague positions and, for the most part, did not engage in substantive discussion.

1           **1. Nature and Complexity of Case.**

2           **DOMAINTOOLS:**

3           DomainTools seeks declaratory relief arising from numerous legal threats Smith  
4 sent it in connection with its <domaintools.com> and <screenshots.com> websites. Smith  
5 sent threats to DomainTools, including in a draft complaint he threatened to file in federal  
6 court in New Jersey, alleging that DomainTools infringed his copyright interest in  
7 websites he operates, that DomainTools has unlawfully acquired and used publicly-  
8 available Whois domain name registration information in connection with Smith's  
9 domain name registrations, and that the federal DOMAINTOOLS trademark registration  
10 was obtained under fraudulent pretenses. Smith also sent to DomainTools a draft  
11 cancellation petition he threatened to file with the U.S. Patent and Trademark Office.

12           In this lawsuit, DomainTools seeks declaratory judgments that: (1) DomainTools  
13 has not violated any copyright Smith has in his websites; (2) that DomainTools has not  
14 violated Smith's rights under the Anticybersquatting Consumer Protection Act, 15 U.S.C.  
15 § 1125(d) in connection with its <domaintools.com> domain name; (3) that DomainTools  
16 has not unlawfully used or displayed public Whois information relating to Smith's  
17 domain name registrations; (4) that Smith lacks standing to file a petition for cancellation  
18 of the federal DOMAINTOOLS trademark registration; (5) that the DOMAINTOOLS  
19 mark is enforceable and that its registration is not subject to cancellation for the reasons  
20 claimed by Smith.

21           **SMITH:**

22           Plaintiff Domain Tools engages in a high risk business plan where they collect  
23 information, often without permission, from web sites and domain name registration data  
24 databases ("whois" databases). In order to collect this data Domain Tools sometimes  
25 circumvents security mechanisms put in place to prevent data harvesting and disregards  
26 notices and direct requests not to collect the data for commercial purposes. Domain  
27 Tools generates disputes and complaints from a number of parties which they claim  
28 would all be resolved by this court action. Domain Tools further seeks to bind visitors to

1 their web sites to the same type of terms of service notice that they routinely disregard  
2 themselves as part of their business plan.

3 Domain Tools is seeking declaratory relief as a result of communications between  
4 Consumer.net, LLC (which does not exist anymore) and Euro Convergence SARL  
5 (Luxembourg) concerning the trademark registration application for the trademark  
6 “DOMAIN TOOLS” filed with the US Patent and Trademark Office (USPTO). Smith  
7 owns and operates (or has owned or operated) various LLC's that utilize the domain name  
8 “Domain-Tools.com” (note the hyphen between “Domain” and “Tools”) since 1999.  
9 Smith's LLC's use (or have used) the domain to direct Internet users to web site offering  
10 online tools related to internet domain names and other advertising related to domain  
11 names. This led to a dispute over information filed with the USPTO by Euro  
12 Convergence SARL. This also led to disputes between Consumer.net, LLC and Euro  
13 Convergence SARL over the use of images of Consumer.net web sites and the sale of  
14 historical whois data of Consumer.net domains (which were registered in Canada). The  
15 historical whois data is sold through DomainTools.com (Note this domain name is  
16 without a hyphen).

17 The nature of the dispute is that Euro Convergence SARL filed a trademark  
18 application that claimed essentially exclusive use of the term “Domain Tools.” However,  
19 Domain Tools also submitted a Google search that showed a Consumer.net web site that  
20 was given a very high ranking for the term “DomainTools.” This was a result of the use  
21 of the domain name “Domain-Tools.com.” Based on those submissions to the USPTO,  
22 the fact that Euro Convergence SARL is an expert in domain names, and other factors,  
23 Smith believes Euro Convergence SARL knew that they did not have essentially  
24 exclusive use of the term “Domain Tools” when filing the USPTO application.

25 Domain Tools has indicated they are a licensee of the “DOMAIN TOOLS”  
26 trademark from Euro Convergence SARL but, up to this point, have failed to provide any  
27 legal arguments why they would have standing in a dispute over the underlying  
28 application. Domain Tools also has not explained why Euro Convergence SARL claimed

1 they post the images at <screenshots.com> yet , in this Complaint, Domain Tools claims  
2 they publish the images.

3 The standard for standing in trademark disputes is “any person who believes that  
4 he or she is or is likely to be damaged by such act” [15 U.S.C. Â§1125(a)(1)]. Smith  
5 believes it is likely that this issue, if it moves past the motion to dismiss, will most likely  
6 be resolved by summary judgment.

7 Domain Tools repeatedly discusses Smith's “trademark rights” in the term Domain  
8 Tools when discussing both the Cybersquatter Protection Act and the standing in  
9 trademark disputes. However, Smith has repeatedly informed Euro Convergence SARL  
10 and Domain Tools the only claim is that term “Domain Tools” is descriptive and that  
11 Smith would be harmed because the “DOMAIN TOOLS” trademark would devalue the  
12 domain “Domain-Tools.com.”

13 Disputes involving the trademark and copyright issues are straightforward as far as  
14 the facts are concerned and minimal discovery required. The analysis of the copyright  
15 issues would have some complexity as factors need to be weighed but these issues are  
16 generally low complexity. However, Domain Tools has apparently received several other  
17 complaints from other parties complaining about essentially the same thing so the  
18 decision would affect other parties not yet a part of this case.

19 The historical whois data issue is much more complex. The current whois data is  
20 mandated to be public but the historical data is not. Further, essentially all whois  
21 databases have a banner attached that prohibits the packaging and resale of the data. Also,  
22 many of the whois databases have enacted security mechanisms which apparently have  
23 been circumvented by Domain Tools. These issues would require a substantial number of  
24 additional defendants such as the Internet Corporation for Assigned Names and Number  
25 (ICANN) who mandates the whois system. Numerous registrars and registries who  
26 control and have rights in the data and/or who have enacted the security mechanisms to  
27 prevent the harvesting of the data would also need to be included. Additionally, the data  
28 related to the Consumer.net domains involves Canadian law as the data was collected

1 from a Canadian registrar. The overall system of collecting, repackaging, and selling  
 2 historical whois data could be affected by any number of laws in many different  
 3 countries.

4 Further, on information and belief, Domain Tools is controlled and is affiliated  
 5 with a number of different entities that register or have registered domain names that are  
 6 typos of well known trademarks. Further, it appears some of these controlling members  
 7 have engaged in a pattern of submitting false and/or misleading information to domain  
 8 dispute arbitration panels. This situation appears to lead to a number of trademark  
 9 complaints and disputes used to increase the sales of expensive historical whois reports  
 10 sold to trademark attorneys. Domain Tools promotes the sale of such reports at such  
 11 places as conventions operated by the International Trademark Association (INTA).

12 Consumer.net, LLC has been dissolved and Russ Smith is the only defendant that  
 13 can respond. Domain Tools has claimed Consumer.net is an “alter ego” of Russ Smith  
 14 but no legal arguments have been presented to support that claim.

15 C. Complexity.

16 **DOMAINTOOLS:**

17 DomainTools believes that this is a case of moderate complexity.

18 **SMITH:**

19 The whois issue is moderate complexity while all other issues are low complexity.  
 20

21 **2. ADR Method.**

22 **DOMAINTOOLS:**

23 DomainTools believes that mediation would be appropriate for this matter.

24 **SMITH:**

25 ADR does not appear to be warranted at this time.

26 The copyright issue is a “hot topic” in the Internet world with major players  
 27 involved such as Google and the Internet Archive. Further, apparently Domain Tools has  
 28 received a number of similar complaints from third parties alleging copyright

1 infringement. Therefore, any decisions involving these issues should be decided by the  
2 courts as the decisions will affect a number of parties.

3 The whois issue involves a number of parties and the issues go way beyond a  
4 simple dispute between Domain tools and Smith. Therefore, any decisions involving  
5 these issues should be decided by the courts as the decisions will affect a number of  
6 parties.

7 The standing in trademark disputes issue is relatively straightforward and would  
8 normally be an arbitration candidate. Euro Convergence SARL was offered arbitration to  
9 resolve the dispute and the response was this litigation. However, the controlling  
10 members of Domain Tools have a reputation of supplying, what appears to be, false  
11 and/or misleading information to domain dispute arbitration panels. Under these  
12 circumstances arbitration with Domain Tools is not advisable.

13  
14 **3. ADR Timing.**

15 **DOMAINTOOLS:**

16 DomainTools proposes that mediation should take place no later than September  
17 30, 2012.

18 **SMITH:**

19 Not applicable.  
20

21 **4. Deadline for Joining Additional Parties.**

22 **DOMAINTOOLS:**

23 DomainTools proposes a deadline of August 1, 2012 for joining additional parties.

24 **SMITH:**

25 September 1, 2012 if the whois issue is dismissed. March 1, 2013 if the whois  
26 issue is not dismissed. Due to Smith's lack of experience in conducting litigation a  
27 request may be made to change these dates.  
28

1           **5. Proposed Discovery Plan.**

2                   A.     Date of FRCP 26(f) Conference and Exchange of FRCP 26(a) Initial  
3                             Disclosures.

4           **DOMAINTOOLS:**

5           The parties concluded their FRCP 26(f) conference on June 20, 2012. They agreed  
6 during that conference to exchange initial disclosures on or before July 4, 2012, which is  
7 the default deadline provided for initial disclosures under FRCP 26(a)(1)(C).

8           **SMITH:**

9           During the status conference the parties agreed to exchange initial disclosures  
10 according to the FRCP which states: "A party must make the initial disclosures at or  
11 within 14 days after the parties' Rule 26(f) conference unless a different time is set by  
12 stipulation or court order..." The court order stipulated initial exchanges should take place  
13 8 days after the Rule 26(f) conference.

14           Defendant Russ Smith filed initial disclosures on June 28, 2012 as ordered by the  
15 court. Plaintiff has not filed initial disclosures and second motion to dismiss has been  
16 filed.

17                   B.     Subjects on Which Discovery May Be Needed and Whether  
18                             Discovery Should Be Conducted in Phases or Be Limited to Focus  
19                             upon Particular Issues.

20           **DOMAINTOOLS:**

21           DomainTools will take discovery on Smith's ownership and operation of websites,  
22 the registration information he provided in connection with his domain name  
23 registrations, the basis for his claim that he has used "domain-tools.com" as a trademark,  
24 and the basis for the claims and threats he has made to DomainTools.

25           **SMITH:**

26           Discovery for the whois issues will be, by far, the most complicated portion of  
27 discovery and will need to be conducted in phases. Discovery will be taken to determine  
28 the whois databases accessed and the methods to access those databases [may require  
discovery from this party Internet service providers, American Registry for Internet

1 numbers (ARIN), or other third parties]. Also, discovery involving the controlling  
 2 members of Domain Tools, their affiliates, associates, etc., and the domain names they  
 3 registered and any associated disputes or conflicts, the whois history reports sold and to  
 4 whom, and the advertising methods used to sell the reports. Also, other complaints from  
 5 third parties involving the historical whois.

6 Discovery for copyright issues will be minimal and probably not be conducted in  
 7 phases. It and will involve the methods used to store and display the images and policies  
 8 involving removal of images when requested by the web site owner as well as complaints  
 9 from third parties.

10 Discovery for trademark issues will be minimal and probably not be conducted in  
 11 phases. and involves discovery of the knowledge of and use of the term "Domain Tools"  
 12 by Domain Tools and the submissions to the USPTO by Euro Convergence SARL.

13 C. What changes should be made in the limitations on discovery  
 14 imposed under the Federal and Local Civil Rules, and what other  
 15 limitations should be imposed.

16 **DOMAINTOOLS:**

17 DomainTools believes that the extensive third-party discovery proposed by Smith  
 18 in Section 5.B., above, may require it to seek limitations on the scope of discovery in this  
 19 action.

20 **SMITH:**

21 None known at this time

22 D. A statement of how discovery will be managed so as to minimize  
 23 expenses.

24 **DOMAINTOOLS:**

25 DomainTools agrees to minimize the expense of discovery by informal  
 26 cooperation whenever possible.  
 27  
 28



**SMITH:**

Smith has asked Domain Tools to dismiss counts that it knows will not survive a motion to dismiss and has agreed to take most of the depositions via paper since some of the witnessed are in Europe and other parts of the world.

E. Any other orders that should be entered by the Court under FRCP 26(c) or under Local Rule CR 16(b) and (c).

**JOINT:**

The parties are not currently requesting any other order under FRCP 26(c) or Local Rule CR 16(b) and (c) at this time. The parties may negotiate a confidentiality agreement between themselves or propose a FRCP 26(c) order to protect confidential information if the need for such an order arises.

**DOMAINTOOLS:**

DomainTools believes that the scope of party and third-party discovery proposed by Smith may require it to seek a protective order under FRCP 26(c) to limit that discovery or to limit access to and use of discovery materials. This need will likely become ripe when Smith serves discovery requests in this matter.

**SMITH:**

None known at this time. However, Smith's professional certification status as a Certified Information Systems Security Professional (CISSP) requires him to report issues of hacking, unauthorized data harvesting, and other similar activities to appropriate authorities. This will most likely lead to disputes over confidentiality issues. Previous attempts to negotiate a confidentiality agreement have been fruitless.

**6. Discovery Cutoff.****DOMAINTOOLS:**

DomainTools proposes that discovery be completed by December 31, 2012.

1 **SMITH:**

2 December 31, 2012 if whois issues are dismissed. December 31, 2013 if whois  
3 issues are not dismissed. Due to Smith's lack of experience in conducting litigation a  
4 request may be made to change these dates.

5  
6 **7. Magistrate.**

7 **DOMAINTOOLS:**

8 DomainTools does not agree to referral of this case to a magistrate.

9 **SMITH:**

10 Russ Smith agrees to a magistrate handling the case.

11  
12 **8. Bifurcation.**

13 The parties do not believe that this case should be bifurcated.

14  
15 **9. Pretrial Order.**

16 The parties do not believe that the pretrial statements and order required by Local  
17 Rules CR 16(e), (h), (i), (l) and 16.1 should be disposed with in whole or in part.

18  
19 **10. Suggestions for Shortening the Trial.**

20 **JOINT:**

21 The parties will cooperate with each other to ensure trial proceeds with reasonable  
22 efficiency but do not currently have any suggestions for shortening or simplifying the  
23 case.

24 **DOMAINTOOLS:**

25 DomainTools did not state, as Smith claims below, that “only some of the items  
26 would survive the motion to dismiss” and does not believe that a voluntary dismissal of  
27 any claims is appropriate.

1 **SMITH:**

2 During the Rule 26(f) conference Smith asked Domain Tools' counsel to dismiss  
3 the complaint because the complaint was not legitimate. Domain Tools' counsel  
4 indicated they believed some of the items would survive the motion to dismiss. Smith  
5 then asked Domain Tools to voluntarily dismiss those claims they believed would not  
6 survive a motion to dismiss.

7 Smith notified Defendant's counsel that continuing to pursue to the whois issue  
8 could lead to significant discovery expense on their part and would require the inclusion  
9 of several other parties who control the data and whose security mechanisms were  
10 circumvented.

11  
12 **11. Date of Trial.**

13 **DOMAINTOOLS:**

14 DomainTools requests a trial date of June 3, 2013.

15 **SMITH:**

16 Unknown  
17

18 **12. Jury or Bench Trial.**

19 DomainTools has demanded a jury trial.  
20

21 **13. Length of Trial.**

22 **DOMAINTOOLS:**

23 DomainTools estimates trial of this matter will require 6-9 days.

24 **SMITH:**

25 Unknown.  
26  
27  
28

**14. Trial Counsel.**

For Plaintiff DomainTools, LLC:

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For Defendant Russ Smith:

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*smith@help.org*  
(609) 385-8966

Consumer.net does not have a contact as it does not exist.

**15. Status of Service.**

**DOMAINTOOLS:**

Smith and Consumer.net, LLC have been served (*See* Dkt. Nos. 15, 16).

**SMITH:**

Issues involving service have been addressed in the pending motion to dismiss.

**16. Scheduling Conference.**

The parties request a scheduling conference prior to a scheduling order being entered in this case.

**17. Cameras in the Courtroom.**

**DOMAINTOOLS:**

DomainTools consents to having hearings in this matter video recorded as part of the Judiciary's Pilot Project on Cameras in the Courtroom.

1       **SMITH:**

2       Defendant does not agree to video recording.

3  
4       DATED this 2<sup>nd</sup> day of July, 2012.

5  
6       **NEWMAN DU WORS LLP**

**RUSS SMITH**

7  
8       By: s/ Derek Linke  
9       Derek Linke, WSBA No. 38314  
      Derek A. Newman, WSBA No. 26967

\_\_\_\_\_  
For Defendant Russ Smith

10      Attorneys for Plaintiff  
11      DomainTools, LLC  
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1       **SMITH:**

2       Defendant does not agree to video recording.

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4       DATED this 2<sup>nd</sup> day of July, 2012.

5  
6       **NEWMAN DU WORS LLP**

7       **RUSS SMITH**

8       By: \_\_\_\_\_  
9       Derek Linke, WSBA No. 38314  
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10       For Defendant Russ Smith

11       Attorneys for Plaintiff  
12       DomainTools, LLC